



General Assembly

January Session, 2011

***Raised Bill No. 6544***

LCO No. 4199

\*04199\_\_\_\_\_ET\_\*

Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***AN ACT CONCERNING ENERGY EFFICIENCY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1       Section 1. (NEW) (*Effective October 1, 2011*) (a) The Commissioner of  
2       Consumer Protection, in consultation with the Office of Policy and  
3       Management and the Department of Environmental Protection, shall  
4       adopt regulations in accordance with the provisions of chapter 54 of  
5       the general statutes for evaluating and disclosing the energy  
6       consumption of residential and commercial buildings before the sale of  
7       such buildings, including, but not limited to, a method for labeling or  
8       disclosing such information. Such regulations may include, but not be  
9       limited to, adoption of a federal rating and disclosure system.
- 10       (b) Any owner of real property located in the state shall have the  
11       energy consumption of such property evaluated in accordance with  
12       the regulations adopted pursuant to section (a) of this section not less  
13       than five years before the sale of such property, except for a sale  
14       between coowners, spouses or persons related by consanguinity  
15       within the third degree or a transfer through inheritance. Such  
16       evaluation shall cover a period of not less than five years before the

17 sale of such property or the period since the adoption of said  
18 regulations, whichever is less.

19 Sec. 2. (NEW) (*Effective October 1, 2011*) Any landlord who requires a  
20 tenant to pay heating expenses as part of the agreed lease shall, before  
21 entering such lease agreement, provide a potential tenant with a  
22 statement of prior usage for heat expenses for the unit for at least the  
23 previous two years. The statement of prior usage shall consist of a  
24 report from the supplier of the heating fuel, including an electric or  
25 natural gas distribution company, if available, and shall otherwise be  
26 based on (1) records of the heating fuel supplier, or (2) a good-faith  
27 estimate by the landlord.

28 Sec. 3. (NEW) (*Effective from passage*) (a) Commencing January 1,  
29 2012, each electric distribution, electric and gas company shall  
30 maintain records of the energy consumption data of all nonresidential  
31 buildings to which such company provides service. This data shall be  
32 maintained in a format (1) compatible for uploading to the United  
33 States Environmental Protection Agency's Energy Star portfolio  
34 manager or similar system, for at least the most recent thirty-six  
35 months, and (2) that preserves the confidentiality of the customer.

36 (b) On or before January 1, 2012, upon the written authorization or  
37 secure electronic authorization of a nonresidential building owner or  
38 operator, an electric distribution, electric or gas company shall upload  
39 all of the energy consumption data for the specified building account  
40 to the Energy Star portfolio manager or comparable system. The  
41 electric or natural gas utility shall maintain information in a manner  
42 that preserves the confidentiality of the customer.

43 (c) On or before January 1, 2012, an owner or operator of a  
44 nonresidential building with a gross floor area of more than ten  
45 thousand square feet shall disclose the Energy Star portfolio manager  
46 benchmarking data and ratings for the most recent twenty-four-month  
47 period to a prospective buyer, lessee of more than two thousand  
48 square feet of the building or lender that would finance more than two

49 thousand square feet of the building.

50 (d) On or before January 1, 2013, the Office of Policy and  
51 Management shall make public the Energy Star benchmarking  
52 information for all nonresidential buildings with a gross floor area of  
53 more than ten thousand square feet owned or operated by the state or  
54 any state agency.

55 (e) Any person who owns a nonresidential building in the state with  
56 a gross floor area of more than fifty thousand square feet shall  
57 annually (1) benchmark such building's energy use using the Energy  
58 Star portfolio manager benchmarking tool pursuant to the schedule set  
59 forth in subsection (f) of this section; and (2) on January first, provide  
60 such energy use data and ratings for the most recent twenty-four-  
61 month period to the Commissioner of Consumer Protection. The  
62 Commissioner of Consumer Protection shall, upon the receipt of the  
63 second annual benchmarking data for each building, make the data  
64 accessible to the public via an on-line database.

65 (f) The schedule for benchmarking privately-owned buildings, as  
66 required in subsection (e) of this section shall be as follows: (1) On and  
67 after January 1, 2012, all buildings with more than one hundred fifty  
68 thousand square feet of gross floor area; and (2) on and after January 1,  
69 2013, all buildings with more than fifty thousand square feet of gross  
70 floor area.

71 (g) On or after January 1, 2012, any application for a building permit  
72 for new construction of a building with a gross floor area of more than  
73 ten thousand square feet or an improvement to such a building costing  
74 at least twenty-five per cent of such building's assessed value shall  
75 include an estimate of the finished building's energy performance  
76 using the Energy Star target finder tool and shall subsequently be  
77 benchmarked annually using the Energy Star portfolio manager  
78 benchmarking tool. Portfolio manager and target finder ratings and  
79 data for each building shall, within sixty days of being generated, be  
80 made available to the Commissioner of Consumer Protection, who

81 shall make the data accessible to the public via an on-line database.

82 Sec. 4. Subsection (d) of section 16-245m of the general statutes is  
83 repealed and the following is substituted in lieu thereof (*Effective July*  
84 *1, 2011*):

85 (d) (1) The Energy Conservation Management Board shall advise  
86 and assist the electric distribution companies in the development and  
87 implementation of a comprehensive plan, which plan shall be  
88 approved by the Department of Public Utility Control, to implement  
89 cost-effective energy conservation programs and market  
90 transformation initiatives. Each program contained in the plan shall be  
91 reviewed by the electric distribution company and either accepted or  
92 rejected by the Energy Conservation Management Board prior to  
93 submission to the department for approval. The Energy Conservation  
94 Management Board shall, as part of its review, examine opportunities  
95 to offer joint programs providing similar efficiency measures that save  
96 more than one fuel resource or otherwise to coordinate programs  
97 targeted at saving more than one fuel resource. Any costs for joint  
98 programs shall be allocated equitably among the conservation  
99 programs. The Energy Conservation Management Board shall give  
100 preference to projects that maximize the reduction of federally  
101 mandated congestion charges. The Department of Public Utility  
102 Control shall, in an uncontested proceeding during which the  
103 department may hold a public hearing, approve, modify or reject the  
104 comprehensive plan prepared pursuant to this subsection.

105 (2) There shall be a joint committee of the Energy Conservation  
106 Management Board and the Renewable Energy Investments Board.  
107 The board and the advisory committee shall each appoint members to  
108 such joint committee. The joint committee shall examine opportunities  
109 to coordinate the programs and activities funded by the Renewable  
110 Energy Investment Fund pursuant to section 16-245n with the  
111 programs and activities contained in the plan developed under this  
112 subsection to reduce the long-term cost, environmental impacts and

113 security risks of energy in the state. Such joint committee shall hold its  
114 first meeting on or before August 1, 2005.

115 (3) Programs included in the plan developed under subdivision (1)  
116 of this subsection shall be screened through cost-effectiveness testing  
117 which compares the value and payback period of program benefits to  
118 program costs to ensure that programs are designed to obtain energy  
119 savings and system benefits, including mitigation of federally  
120 mandated congestion charges, whose value is greater than the costs of  
121 the programs. [Cost-effectiveness testing shall utilize available  
122 information obtained from real-time monitoring systems to ensure  
123 accurate validation and verification of energy use. Such testing shall  
124 include an analysis of the effects of investments on increasing the  
125 state's load factor.] Program cost-effectiveness shall be reviewed  
126 annually, or otherwise as is practicable, and shall incorporate the  
127 results of the evaluation process set forth in subdivision (4) of this  
128 subsection. If a program is determined to fail the cost-effectiveness test  
129 as part of the review process, it shall either be modified to meet the test  
130 or shall be terminated. On or before March 1, 2005, and on or before  
131 March first annually thereafter, the board shall provide a report, in  
132 accordance with the provisions of section 11-4a, to the joint standing  
133 committees of the General Assembly having cognizance of matters  
134 relating to energy and the environment (A) that documents  
135 expenditures and fund balances and evaluates the cost-effectiveness of  
136 such programs conducted in the preceding year, and (B) that  
137 documents the extent to and manner in which the programs of such  
138 board collaborated and cooperated with programs, established under  
139 section 7-233y, of municipal electric energy cooperatives. To maximize  
140 the reduction of federally mandated congestion charges, programs in  
141 the plan may allow for disproportionate allocations between the  
142 amount of contributions to the Energy Conservation and Load  
143 Management Funds by a certain rate class and the programs that  
144 benefit such a rate class. Before conducting such evaluation, the board  
145 shall consult with the Renewable Energy Investments Board. The  
146 report shall include a description of the activities undertaken during

147 the reporting period jointly or in collaboration with the Renewable  
148 Energy Investment Fund established pursuant to subsection (c) of  
149 section 16-245n.

150 (4) The Department of Public Utility Control shall oversee an  
151 independent, comprehensive evaluation, measuring and verification  
152 process to ensure the Energy Conservation and Load Management  
153 Fund programs and measures are cost effective, that results are  
154 reliably and accurately reported and that programs are being  
155 administered properly and efficiently. The department shall contract  
156 with one or more consultants not affiliated with the Energy  
157 Conservation Management Board or its members to act as  
158 administrator of the evaluation, measuring and verification process.  
159 Such consultant shall facilitate the evaluation process by hiring  
160 evaluation contractors to perform program and measure evaluations  
161 and by facilitating communications between evaluation contractors  
162 and program administrators necessary to ensure accurate, yet  
163 independent, evaluations. Members of the Energy Conservation  
164 Management Board shall have input into the scope and work order for  
165 evaluations to ensure that evaluation procedures align with program  
166 processes for data collection and to ensure that evaluations will  
167 provide the information necessary to meet third-party evaluation  
168 requirements, such as those of the regional independent system  
169 operator. Each electric distribution company and gas company shall  
170 communicate with the consultant for purposes of data collection,  
171 vendor contract administration and to provide necessary factual  
172 information during the course of evaluations. Other than as expressly  
173 stated herein, Energy Conservation Management Board members,  
174 including the electric distribution companies and gas companies, shall  
175 not communicate with the consultant or evaluation contractors  
176 regarding substantive issues during the course of evaluations. In no  
177 case shall Energy Conservation Management Board members  
178 communicate with an evaluation contractor about an ongoing  
179 evaluation outside of the presence of the consultant. All evaluations  
180 shall contain a description of any problems encountered in the process

181 of the evaluation, including data collection issues, and  
182 recommendations regarding how to correct those problems for the  
183 purposes of future evaluation. The department shall publicly file a  
184 draft of each evaluation report in the most recent uncontested  
185 proceeding approving a comprehensive plan pursuant to subdivision  
186 (1) of this subsection. Such evaluation drafts shall be provided to all  
187 Energy Conservation Management Board members, who may file  
188 public written comments on the draft with the department. At the  
189 request of any Energy Conservation Management Board member, a  
190 transcribed hearing shall be held to review the methodology, results  
191 and recommendations in any draft evaluation. At any such hearing,  
192 the department shall make available for cross examination the  
193 evaluation administrator and the evaluation contactor. A final  
194 evaluation will then be issued by the department. Impact evaluations  
195 shall use information obtained from program participants from real-  
196 time monitoring systems and billing analysis, whichever is most  
197 appropriate for the program or measure being evaluated, to ensure  
198 accurate validation and verification of energy use and effects on the  
199 state's load factor. Program and measure evaluation, measurement and  
200 verification shall be conducted on an ongoing basis, with an emphasis  
201 on impact and process evaluations, new programs or measures that  
202 have not been studied, and programs or measures that account for a  
203 relatively high percentage of program spending. The cost of the  
204 evaluation administrator and all costs associated with the evaluation  
205 contractors hired to perform evaluations shall be paid by the fund. An  
206 annual schedule and budget for evaluations necessary for compliance  
207 with the statute as well as the requirements of other funding entities  
208 shall be recommended by the electric distribution companies as part of  
209 the comprehensive plan.

210        [(4)] (5) Programs included in the plan developed under subdivision  
211 (1) of this subsection may include, but not be limited to: (A)  
212 Conservation and load management programs, including programs  
213 that benefit low-income individuals; (B) research, development and  
214 commercialization of products or processes which are more energy-

215 efficient than those generally available; (C) development of markets for  
 216 such products and processes; (D) support for energy use assessment,  
 217 real-time monitoring systems, engineering studies and services related  
 218 to new construction or major building renovation; (E) the design,  
 219 manufacture, commercialization and purchase of energy-efficient  
 220 appliances and heating, air conditioning and lighting devices; (F)  
 221 program planning and evaluation; (G) indoor air quality programs  
 222 relating to energy conservation; (H) joint fuel conservation initiatives  
 223 programs targeted at reducing consumption of more than one fuel  
 224 resource; (I) public education regarding conservation; and (J) the  
 225 demand-side technology programs recommended by the procurement  
 226 plan approved by the Department of Public Utility Control pursuant to  
 227 section 16a-3a. Such support may be by direct funding, manufacturers'  
 228 rebates, sale price and loan subsidies, leases and promotional and  
 229 educational activities. The plan shall also provide for expenditures by  
 230 the Energy Conservation Management Board for the retention of  
 231 expert consultants and reasonable administrative costs provided such  
 232 consultants shall not be employed by, or have any contractual  
 233 relationship with, an electric distribution company. Such costs shall  
 234 not exceed five per cent of the total revenue collected from the  
 235 assessment.

236 Sec. 5. (NEW) (*Effective October 1, 2011, and applicable to building*  
 237 *permits issued on or after October 1, 2012*) A municipality may, by  
 238 ordinance adopted by its legislative body, require all new residential  
 239 construction of three stories or less to meet federal Energy Star  
 240 Qualified Home Standards.

241 Sec. 6. (NEW) (*Effective July 1, 2011*) (a) As used in this section,

242 (1) "Energy-savings measure" means any improvement to facilities  
 243 or other energy-consuming systems designed to reduce energy or  
 244 water consumption and operating costs and increase the operating  
 245 efficiency of facilities or systems for their appointed functions.

246 (2) "Energy savings measure" includes, but is not limited to, one or



247 more of the following:

248 (A) Replacement or modification of lighting and electrical  
249 components, fixtures or systems, including daylighting systems,  
250 improvements in street lighting efficiency or computer power  
251 management software;

252 (B) Class I renewable energy or solar thermal systems;

253 (C) Cogeneration systems that produce steam or forms of energy,  
254 such as heat or electricity, for use primarily within a building or  
255 complex of buildings;

256 (D) Automated or computerized energy control systems;

257 (E) Heating, ventilation or air conditioning system modifications or  
258 replacements;

259 (F) Indoor air quality improvements that conform to applicable  
260 building code requirements;

261 (G) Water-conserving fixtures, appliances and equipment or the  
262 substitution of non water-using fixtures, appliances and equipment, or  
263 water-conserving landscape irrigation equipment; and

264 (H) Changes in operation and maintenance practices.

265 (3) "Cost effective" means the present value to a state agency or  
266 municipality of the energy reasonably expected to be saved or  
267 produced by a facility, activity, measure or piece of equipment over its  
268 useful life, including any compensation received from a utility, is  
269 greater than the net present value of the costs of implementing,  
270 maintaining and operating such facility, activity, measure or piece of  
271 equipment over its useful life, when discounted at the cost of public  
272 borrowing.

273 (4) "Operation and maintenance cost savings" means a measurable  
274 decrease in operation and maintenance costs and future replacement

275 expenditures that is a direct result of the implementation of one or  
276 more utility cost-savings measures. Such savings shall be calculated in  
277 comparison with an established baseline of operation and maintenance  
278 costs.

279 (5) "Qualified energy service provider" means a corporation with a  
280 record of successful energy performance contract projects experienced  
281 in the design, implementation and installation of energy efficiency and  
282 facility improvement measures, the technical capabilities to ensure  
283 such measures generate energy and operational cost savings, and the  
284 ability to secure the financing necessary to support energy savings  
285 guarantees.

286 (6) "Utility cost savings" means any utility expenses eliminated or  
287 avoided on a long-term basis as a result of equipment installed or  
288 modified, or services performed by a qualified energy service  
289 provider; it does not include merely shifting personnel costs or similar  
290 short-term cost-savings.

291 (7) "State agency" has the same meaning as provided in section 1-79  
292 of the general statutes.

293 (8) "Municipality" has the same meaning as provided in section 4-  
294 230 of the general statutes.

295 (9) "Investment-grade audit" means a study by the qualified energy  
296 services provider selected for a particular energy performance contract  
297 project which includes detailed descriptions of the improvements  
298 recommended for the project, the estimated costs of the improvements,  
299 and the utility and operations and maintenance cost savings projected  
300 to result from the recommended improvements.

301 (10) "Energy performance contract" means a contract between the  
302 state agency and a qualified energy service provider for evaluation,  
303 recommendation and implementation of one or more cost-savings  
304 measures. A performance contract shall be a (1) guaranteed energy

305 savings performance contract, including, but not limited to, the design  
306 and installation of equipment and, if applicable, operation and  
307 maintenance of any of the measures implemented; and (2) guaranteed  
308 annual savings that meet or exceed the total annual contract payments  
309 made by the state agency or municipality for such contract, including  
310 financing charges to be incurred by the state agency over the life of the  
311 contract.

312 (b) On or before January 1, 2012, the Energy Conservation  
313 Management Board, in consultation with the Office of Policy and  
314 Management, the Department of Administrative Services and the  
315 Department of Public Works, shall establish a standardized energy  
316 performance contract process for state agencies and municipalities.  
317 The standardized process shall include standard energy performance  
318 contract documents, including requests for qualifications, requests for  
319 proposals, investment-grade audit contracts, energy services  
320 agreements, including the form of the project savings guarantee, and  
321 project financing agreements. A municipality may use the established  
322 state contract or establish its own contract.

323 (c) The Energy Conservation Management Board, in consultation  
324 with the Office of Policy and Management, shall help state agencies  
325 and municipalities identify, evaluate and implement cost-effective  
326 conservation projects at their facilities and create promotional  
327 materials to explain the energy performance contract program.

328 (d) The Energy Conservation Management Board shall apprise state  
329 agencies and municipalities of opportunities to develop and finance  
330 energy performance contracting projects and provide technical and  
331 analytical support, including, but not limited to, (1) procurement  
332 energy performance contracting services; (2) reviewing verification  
333 procedures for energy savings; and (3) assisting in the structuring and  
334 arranging of financing for energy performance contracting projects.

335 (e) The Office of Policy and Management may fix, charge and collect  
336 fees to cover costs incurred for any administrative support and

337 resources or services provided under this subsection from the state  
338 agencies and municipalities that use its technical support services.  
339 State agencies may add the costs of these fees to the total cost of the  
340 energy performance contract. Initial administrative funding to  
341 establish the energy performance contracting process for state agencies  
342 and municipalities shall be recovered from the Energy Conservation  
343 Management Board. The Office of Policy and Management, in  
344 consultation with the Energy Conservation Management Board, shall  
345 develop a pool of public and private capital that state agencies can  
346 access to help finance energy-savings measures.

347 (f) Energy performance contracts for state agencies shall include  
348 requests for qualifications or requests for proposals.

349 (1) The Department of Administrative Services shall issue a request  
350 for qualifications from companies that can offer energy performance  
351 contract services to create a prequalified list of companies. A state  
352 agency shall use the prequalified list. A municipality may use the  
353 prequalified list and may use the established state contract or establish  
354 its own contract.

355 (2) When reviewing requests for qualifications, the department shall  
356 consider a company's experience with (A) design, engineering,  
357 installation, maintenance and repairs associated with performance  
358 contracts; (B) conversions to a different energy or fuel source,  
359 associated with a comprehensive energy efficiency retrofit; (C) post-  
360 installation project monitoring, data collection and reporting of  
361 savings; (D) overall project management and qualifications; (E)  
362 accessing long-term financing; (F) financial stability; (G) projects of  
363 similar size and scope; and (H) other factors determined by the  
364 department to be relevant and appropriate.

365 (3) Before entering an energy performance contract pursuant to this  
366 section, a state agency or municipality shall issue a request for  
367 proposals from up to three qualified energy service providers. A state  
368 agency or municipality may award the performance contract to the

369 qualified energy service company or qualified provider that best meets  
370 the needs of the unit, which need not be the lowest cost provided. A  
371 cost-effective feasibility analysis shall be prepared in response to the  
372 request for proposals.

373 (4) The feasibility analysis included in the response to the request  
374 for proposals shall serve as the selection document for purposes of  
375 selecting a qualified energy service provider to engage in final contract  
376 negotiations. Factors to be included in selecting among the selected  
377 energy service providers shall include, but not be limited to, (A)  
378 contract terms, (B) comprehensiveness of the proposal, (C) financial  
379 stability of the provider, (D) comprehensiveness of cost-savings  
380 measures, (E) experience, quality of technical approach, and (F) overall  
381 benefits to the state agency or municipality.

382 (g) One qualified energy service provider selected as a result of the  
383 request for qualifications process set forth in subsection (f) of this  
384 section shall prepare an investment-grade energy audit, which, upon  
385 acceptance, shall be part of the final energy performance contract or  
386 energy services agreement entered into by the state agency. Such  
387 investment-grade energy audit shall include estimates of the amounts  
388 by which utility cost savings and operation and maintenance cost  
389 savings would increase and estimates of all costs of such utility cost-  
390 savings measures or energy-savings measures, including, but not  
391 limited to, (A) itemized costs of design, (B) engineering, (C)  
392 equipment, (D) materials, (E) installation, (F) maintenance, (G) repairs,  
393 and (H) debt service. If, after preparation of the investment grade  
394 energy audit, the state agency decides not to execute an energy  
395 services agreement and the costs and benefits described in the energy  
396 audit are not materially different from those described in the feasibility  
397 study submitted in response to the request for proposals, the state  
398 agency shall pay the costs incurred in preparing such investment-  
399 grade energy audit. In all other instances, the costs of the investment-  
400 grade energy audit shall be deemed part of the costs of the energy  
401 performance contract or energy services agreement.

402 (h) The guidelines adopted pursuant to this section shall require  
403 that the cost savings projected by the qualified provider be reviewed  
404 by a licensed professional engineer who has a minimum of three years  
405 experience in energy calculation and review, is not an officer or  
406 employee of a qualified provider for the contract under review, and is  
407 not otherwise associated with the contract. In conducting the review,  
408 the engineer shall focus primarily on the proposed improvements from  
409 an engineering perspective, the methodology and calculations related  
410 to cost savings, increases in revenue, and, if applicable, efficiency or  
411 accuracy of metering equipment. An engineer who reviews a contract  
412 shall maintain the confidentiality of any proprietary information the  
413 engineer acquires while reviewing the contract.

414 (i) Each performance contract shall provide that all payments  
415 between parties, except obligations on termination of the contract  
416 before its expiration, shall be made over time and the objective of such  
417 energy performance contracts is implementation of cost-savings  
418 measures and energy and operational cost savings.

419 (j) An energy performance contract, and payments provided  
420 thereunder, may extend beyond the fiscal year in which the energy  
421 performance contract became effective, subject to appropriation of  
422 moneys, if required by law, for costs incurred in future fiscal years.  
423 The energy performance contract may extend for a term not to exceed  
424 twenty years. The allowable length of the contract may also reflect the  
425 useful life of the cost-savings measures. Energy performance contracts  
426 may provide for payments over a period not to exceed deadlines  
427 specified in the energy performance contract from the date of the final  
428 installation of the cost-savings measures.

429 (k) The energy performance contract may provide that  
430 reconciliation of the amounts owed under an energy performance  
431 contract shall occur in a period beyond one year with final  
432 reconciliation occurring within the term of the performance contract.  
433 Performance contracts shall include contingency provisions in the

434 event that actual savings do not meet predicted savings.

435 (l) The energy performance contract shall require the qualified  
436 provider to provide to the state agency or municipality an annual  
437 reconciliation of the guaranteed energy cost savings. If the  
438 reconciliation reveals a shortfall in annual energy cost savings, the  
439 qualified provider is liable for such shortfall. If the reconciliation  
440 reveals an excess in annual energy cost savings, the excess savings may  
441 not be used to cover potential energy cost savings shortages in  
442 subsequent contract years.

443 (m) During the term of each energy performance contract, the  
444 qualified energy service company or qualified provider shall monitor  
445 the reductions in energy consumption and cost savings attributable to  
446 the cost-savings measures installed pursuant to the performance  
447 contract and shall, not less than annually, prepare and provide a report  
448 to the state agency or municipality documenting the performance of  
449 the cost-savings measures to the state agency or municipality.

450 (n) The qualified provider or qualified energy service company and  
451 state agency or municipality may agree to modify savings calculations  
452 based on any of the following:

453 (1) Subsequent material change to the baseline energy consumption  
454 identified at the beginning of the performance contract;

455 (2) Changes in utility rates;

456 (3) Changes in the number of days in the utility billing cycle;

457 (4) Changes in the total square footage of the building;

458 (5) Changes in the operational schedule of the facility;

459 (6) Changes in facility temperature;

460 (7) Material change in the weather;

461 (8) Material changes in the amount of equipment or lighting used at  
462 the facility; or

463 (9) Any other change which reasonably would be expected to  
464 modify energy use or energy costs.

465 (o) Any state agency that enters into a performance-based contract  
466 pursuant to this section shall report the name of the project, the project  
467 host, the investment on the project and the expected energy savings to  
468 the Office of Policy and Management.

469 (p) A state agency shall direct savings realized under the  
470 performance contract to contract payment and other required expenses  
471 and shall, when practicable, reinvest savings beyond that required for  
472 contract payment and other required expenses.

473 Sec. 7. Section 16a-37u of the general statutes is amended by adding  
474 a new subsection (e) as follows (*Effective July 1, 2011*):

475 (NEW) (e) Any state agency may enter into an energy performance  
476 contract with a qualified energy services provider to produce utility  
477 savings or operating and maintenance cost savings. Energy savings  
478 measures implemented under such contracts shall comply with state or  
479 local building codes. Any state agency may implement other capital  
480 improvements in conjunction with a performance contract so long as  
481 the measures that are being implemented to achieve energy and  
482 operations and maintenance cost savings and other capital  
483 improvements are in the aggregate cost effective over the term of the  
484 contract.

485 Sec. 8. Section 16a-40f of the general statutes is repealed and the  
486 following is substituted in lieu thereof (*Effective from passage*):

487 (a) For the purposes of this section:

488 (1) "Participating qualified nonprofit organizations" means  
489 individuals, nonprofit organizations and small businesses;



490 (2) "Small business" means a business entity employing not more  
491 than fifty full-time employees;

492 (3) "Eligible energy conservation project" means an energy  
493 conservation project meeting the criteria identified, as provided in  
494 subsection (d) of this section; and

495 (4) "Participating lending institution" means any bank, trust  
496 company, savings bank, savings and loan association or credit union,  
497 whether chartered by the United States of America or this state, or any  
498 insurance company authorized to do business in this state that  
499 participates in the Green Connecticut Loan Guaranty Fund program.

500 (b) The Connecticut Health and Educational Facilities Authority  
501 shall establish the Green Connecticut Loan Guaranty Fund program  
502 from the proceeds of the bonds issued pursuant to section 16a-40d for  
503 the purpose of guaranteeing loans made by participating lending  
504 institutions to a participating qualified nonprofit organization for  
505 eligible energy conservation projects, including for two or more joint  
506 eligible energy conservation projects. In carrying out the purposes of  
507 this section, the authority shall have and may exercise the powers  
508 provided in section 10a-180.

509 (c) Participating qualified nonprofit organizations may borrow  
510 money from a participating lending institution for any energy  
511 conservation project for which the authority provides guaranties  
512 pursuant to this section. In connection with the provision of such a  
513 guaranty by the Connecticut Health and Educational Facilities  
514 Authority, (1) a participating qualified nonprofit organization shall  
515 enter into any loan or other agreement and make such covenants,  
516 representations and indemnities as a participating lending institution  
517 deems necessary or appropriate; and (2) a participating lending  
518 institution shall enter into a guaranty agreement with the authority,  
519 pursuant to which the authority has agreed to provide a first loss  
520 guaranty of an agreed percentage of the original principal amount of  
521 loans for eligible energy conservation projects.

522 (d) In consultation with the Office of Policy and Management, the  
523 Connecticut Health and Educational Facilities Authority shall identify  
524 types of projects that qualify as eligible energy conservation projects,  
525 including, but not limited to, the purchase and installation of  
526 insulation, alternative energy devices, energy conservation materials,  
527 replacement furnaces and boilers, and technologically advanced  
528 energy-conserving equipment. The authority, in consultation with said  
529 office, shall establish priorities for financing eligible energy  
530 conservation projects based on need and quality determinants. The  
531 authority shall adopt procedures, in accordance with the provisions of  
532 section 1-121, to implement the provisions of this section.

533 (e) The authority shall, in consultation with the Energy  
534 Conservation Management Board and the Renewable Energy  
535 Investments Board, (1) ensure that the program established pursuant  
536 to this section integrates with existing state energy efficiency and  
537 renewable energy programs; (2) establish performance targets for the  
538 program to ensure sufficient participation in the secondary financial  
539 markets and to operate in coordination with existing financing  
540 programs to enable efficiency improvements for at least fifteen per cent  
541 of single family homes in the state by 2020; (3) enter into contracts with  
542 one or more program implementers to perform such functions as the  
543 authority deems appropriate; (4) enter into financial partnership  
544 agreements with banks and other financial institutions to provide loan  
545 origination services; and (5) exercise such other powers as are  
546 necessary for the proper administration of the program.

547 (f) Financial assistance provided by the authority pursuant to this  
548 section shall be subject to the following terms:

549 (1) Eligible energy conservation projects shall meet cost-  
550 effectiveness standards adopted by the authority in consultation with  
551 the Energy Conservation Management Board and the Renewable  
552 Energy Investments Board.

553 (2) Loans shall be at interest rates determined by the authority to be

554 no higher than necessary to make the provision of the eligible energy  
 555 conservation projects feasible. In determining whether to make a loan  
 556 and the amount of any loan, the authority may consider whether the  
 557 applicant or borrower has received, or is eligible to receive, financial  
 558 assistance and other incentives from any other source for the qualified  
 559 energy efficiency services which would be the subject of the loan.

560 (3) The authority or its designee shall review and evaluate  
 561 applications for financial assistance pursuant to this section pursuant  
 562 to eligibility and qualification requirements and criteria established by  
 563 said authority in consultation with the Energy Conservation  
 564 Management Board and the Renewable Energy Investments Board.

565 (4) The amount of a fee paid for an energy audit provided pursuant  
 566 to this program may be added to the amount of a loan to finance the  
 567 cost of an eligible project conducted in response to such energy audit.  
 568 In such cases, the amount of the fee may be reimbursed from the fund  
 569 to the borrower.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	New section
Sec. 2	<i>October 1, 2011</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>July 1, 2011</i>	16-245m(d)
Sec. 5	<i>October 1, 2011, and applicable to building permits issued on or after October 1, 2012</i>	New section
Sec. 6	<i>July 1, 2011</i>	New section
Sec. 7	<i>July 1, 2011</i>	16a-37u
Sec. 8	<i>from passage</i>	16a-40f

***Statement of Purpose:***

To require energy efficiency measures in new construction, to require disclosure of energy use in certain buildings and to obtain energy cost savings for state agencies and municipalities in Connecticut through

rapid, effective and increased deployment of energy efficiency goods, services and practices.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*